Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006

Message Text

CONFIDENTIAL

PAGE 01 PORT M 00427 091905Z

70
ACTION EA-10

INFO OCT-01 AF-06 ARA-06 ISO-00 SP-02 AID-05 EB-07 NSC-05

CIEP-01 TRSE-00 SS-15 STR-04 OMB-01 CEA-01 CIAE-00

COME-00 FRB-03 INR-07 NSAE-00 USIA-06 XMB-02 OPIC-03

LAB-04 SIL-01 L-02 INT-05 GSA-01 H-02 FTC-01 JUSE-00

PA-01 PRS-01 OFA-01 CEQ-01 EPA-01 /106 W
---------- 082061
R 091802Z MAY 75
FM AMCONSUL PORT MORESBY
TO SECSTATE WASHDC 504
INFO AMEMBASSY CANBERRA
AMEMBASSY KINSHASA
AMEMBASSY LIMA
AMEMBASSY LUSAKA
AMEMBASSY SANTIAGO
AMEMBASSY SEOUL
AMCONSUL SYDNEY
AMEMBASSY TOKYO

C O N F I D E N T I A L PORT MORESBY 0427

E.O. 11652: GDS
TAGS: EMIN, PP
SUBJ: KENNECOTT DEPARTS, BUT DOOR IS STILL AJAR

REF: A. PORT MORESBY 288
B. PORT MORESBY 335

1. KEITH HULLEY, MANAGING DIRECTOR OF KENNECOTT (AUSTRALIA) PAID FAREWELL CALL ON ME APRIL 29 TO SAY THAT KENNECOTT'S PNG OPERATIONS CONNECTED WITH OK TEDI WILL OFFICIALLY END APRIL 30. HE HAS WRITTEN LETTER TO GPNG INDICATING DOOR IS STILL OPEN ON KENNECOTT'S SIDE IF GPNG WANTS TO RECON-SIDER ITS POSITION. HE EXPECTS SIMILAR LETTER FROM SOMARE STATING THAT PNG DOOR IS STILL OPEN IF KENNECOTT WANTS TO
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 PORT M 00427 091905Z

RECONSIDER ITS POSITION.

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006

2. HULLEY RATHER EXPECTS THAT AFTER TWO OR THREE YEARS HAVE ELAPSED, AND GPNG HAS NOT FOUND OTHER FOREIGN COMPANIES READY TO STEP IN, NEGOTIATIONS MAY BE RESUMED AND POSSIBLY COME TO FRUITION.

3. IN THE MEANTIME, HULLEY SAID, KENNECOTT WILL STILL BE ACTIVE IN OTHER AREAS OF PNG. KENNECOTT HAS 43 PCT INTEREST IN COPPER EXPLORATION PROJECT NEAR GOROKA HEADED BY BROKEN HILL PROPRIETARY, HE SAID. IN ADDITION, TRIAKO MINES IS SERVING AS AGENT OF KENNCO EXPLORATIONS (AUSTRALIA) - A KENNECOTT SUBSIDIARY - IN EXPLORATION IN CENTRAL DISTRICT NORTH OF PORT MORESBY.

4. THESE ACTIVITIES WILL BRING KENNECOTT AUSTRALIAN REPRESENTATIVE TO PNG FROM TIME TO TIME, HULLEY POINTED OUT, AND WILL PERMIT HIM TO TAKE SOUNDINGS ON OK TEDI.

5. HULLEY ADMITTED BOUGAINVILLE COPPER MIGHT BE INTERESTED IN OK TEDI, AND COMMENTED THAT BOUGAINVILLE HAS AN ADVANTAGE IN EXPERIENCE IN DEALING WITH GPNG.

6. JAPANESE WERE INTERESTED IN PARTICIPATING WITH KENNECOTT IN OK TEDI ABOUT A YEAR AGO, HULLEY SAID, BUT AFTER EXTENSIVE DISCUSSIONS DECIDED THEY DID NOT WANT TO PUT UP THE MONEY.

7 SOUTH KOREANS HAVE SHOWN INTEREST IN DEVELOPING A SOURCE OF COPPER SUPPLY IN PNG, HULLEY SAID, BUT HE DID NOT BELIEVE ANY DECISIONS HAD BEEN REACHED.

8. COMMENT: HULLEY SEEMED A LITTLE MORE OPTIMISTIC ABOUT THE FUTURE OF KENNECOTT IN PNG THAN IN DISCUSSION REPORTED REF A. HE ALSO SEEMED MORE PHILOSOPHIC ABOUT THE DIFFERENCES WITH GPNG. POSSIBLY ANGONIA'S CALL AT KENNECOTT HEAD OFFICE IN NEW YORK (REF B) BROUGHT ABOUT SOME CHANGE IN KENNECOTT'S ATTITUDE, AND WAS REFLECTED IN HULLEY'S COMMENTS. END COMMENT.
OLMSTED

CONFIDENTIAL

NNN

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: COPPER, NATIONALIZATION
Control Number: n/a
Copy: SINGLE
Draft Date: 09 MAY 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: ellisoob
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975PORTM00427
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D750164-0201
From: PORT MORESBY
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750566/aaaachua.tel
Line Count: 99
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 75 PORT MORESBY 288
Review Action: RELEASED, APPROVED
Review Authority: ellisoob
Review Comment: n/a
Review Content Flags:
Review Date: 03 JUL 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <03 JUL 2003 by ShawDG>; APPROVED <17 NOV 2003 by ellisoob>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: KENNECOTT DEPARTS, BUT DOOR IS STILL AJAR
TAGS: EMIN, PP, TEDI, KENNECOTT, (HULLEY, KEITH)
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006